

HOUSE BILL No. 1392

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-3-3-14.

Synopsis: Tax credit for literacy programs. Provides an income tax credit for charitable contributions to certain literacy programs. Provides that the credit is equal to 50% of the charitable contribution, but may not exceed: (1) \$100 for a single individual return; (2) \$200 for a joint return; or (3) the lesser of 10% of a corporation's adjusted gross income tax liability or \$1,000 for a corporate return.

Effective: July 1, 2015.

Clere, Austin

January 14, 2015, read first time and referred to Committee on Ways and Means.



First Regular Session of the 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

HOUSE BILL No. 1392

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-3-3-14 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2015]: **Sec. 14. (a) This section applies to taxable years beginning**
4 **after December 31, 2015.**
5 **(b) The state library shall annually approve literacy programs**
6 **that are eligible to receive charitable contributions in which a**
7 **taxpayer is eligible for a tax credit under this chapter. The literacy**
8 **program must:**
9 **(1) provide instruction to adults who struggle with basic**
10 **reading and writing skills;**
11 **(2) be administered or operated by:**
12 **(A) a nonprofit organization exempt from federal income**
13 **taxation under Section 501(c)(3) or 501(c)(4) of the**
14 **Internal Revenue Code; or**
15 **(B) a religious organization; and**



1 (3) provide literacy services to Indiana residents.

2 (c) At the election of the taxpayer, there shall be allowed, as a
3 credit against the adjusted gross income tax imposed by IC 6-3-1
4 through IC 6-3-7 for the taxable year, an amount (subject to the
5 applicable limitations provided by this section) equal to fifty
6 percent (50%) of the aggregate amount of charitable contributions
7 made by the taxpayer during the taxable year to an Indiana
8 literacy program approved by the state library under subsection
9 (b).

10 (d) In the case of a taxpayer other than a corporation, the
11 amount allowable as a credit under this section for any taxable
12 year may not exceed:

13 (1) one hundred dollars (\$100) in the case of a single return;

14 or

15 (2) two hundred dollars (\$200) in the case of a joint return.

16 (e) In the case of a taxpayer that is a corporation, the amount
17 allowable as a credit under this section for any taxable year may
18 not exceed:

19 (1) ten percent (10%) of the corporation's total adjusted gross
20 income tax under IC 6-3-1 through IC 6-3-7 for the taxable
21 year (as determined without regard to any credits against that
22 tax); or

23 (2) one thousand dollars (\$1,000);

24 whichever is less.

25 (f) The credit allowed by this section may not exceed the amount
26 of the adjusted gross income tax imposed by IC 6-3-1 through
27 IC 6-3-7 for the taxable year, reduced by the sum of all credits (as
28 determined without regard to this section) allowed by IC 6-3-1
29 through IC 6-3-7.

